

‘Several European countries concerned about liberalisation of trade with the United States’ from Le Monde (3 December 1995)


Caption: On 3 December 1995, the French daily newspaper Le Monde explains the economic issues surrounding the Joint EU-US Action Plan.

Source: Le Monde. dir. de publ. Colombani, Jean-Marie. 3-4.12.1995, n° 15 817; 51e année. Paris: Le Monde. "Plusieurs pays européens inquiets de la libéralisation des échanges avec les Etats-Unis", auteur:Lemaître, Philippe , p. 2.

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Several European countries concerned about liberalisation of trade with the United States

BRUSSELS (European Union)

from our correspondent

‘We want to create a transatlantic economic area by reducing or eliminating barriers that hinder the flow of goods, services and capital,’ explains the ‘Joint EU-US Action Plan’ that Bill Clinton, Felipe Gonzalez, President-in-Office of the European Council, and Jacques Santer, President of the Commission, will sign at the ‘summit’ to be held in Madrid on Sunday 3 December. It is a vast programme with very little to distinguish it from the idea of creating a transatlantic free-trade zone, put forward a few months ago by Warren Christopher, the US Secretary of State, and taken up in Europe by Sir Leon Brittan, the Commissioner for trade policy, but turned down by the Council of Ministers of the Fifteen.

‘Action Plan’

‘Leon Brittan’s tendency to get us to swallow a host of projects that we reject is becoming unbearable,’ grumbles a French diplomat. As it happens, Mr Brittan, who will be present in Madrid, had tried to drum up support for the idea in the face of the chilly reception in the EU Council by holding a meeting in Seville on 10 and 11 November for company managers from both sides of the Atlantic. The National Council of French Employers (CNPF) said they thought the event was not timely, but went anyway. The businessmen declared themselves in favour of greater liberalisation of industrial trade but on a gradual basis, in addition to the commitments made within the Uruguay Round.

The Euro-American plan covers most areas of economic activity. The intention is to speed up tariff reductions already agreed upon and, at the next ministerial meeting of the WTO (World Trade Organisation) in Singapore, to study a further ‘package’ of tariff cuts.

In the view of the French, the race to liberalise trade between the blocs begs the question as to what will remain of multilateralism and the fledgling WTO. They point out that this free-trade frenzy erodes the preferential regimes that the Union gives to its former colonies and its Central European neighbours. ‘Brittan has won. The semantic drift towards a free-trade area is under way and Europe is being subjected to trade globalisation, rather than controlling it,’ believes a senior official.

He is also of the opinion that it is unlikely that the Community will tackle the real issues in Madrid: overall, the balance of trade between the EU and the United States has virtually been restored, proving that EU companies are competitive. But entire swathes of industry, such as aeronautics and particularly armaments, are under serious threat. ‘The US hardly conceals the fact that they want to get rid of it.’ As this threat looms, any talk on this side of the Atlantic of a common defence policy and a European weapons agency is getting nowhere.

Mentioning these threatened sectors raises the problem of the undervalued dollar. This is apparently a taboo subject that neither the Americans nor many countries in the Union want to discuss. Leon Brittan gets annoyed when told that the dollar’s fluctuations throw doubt on the timeliness of further tariff cuts. ‘According to him, the removal of any trade barriers is a good thing, even if it is unbalanced,’ says the senior Brussels official.

The Germans and British do not want currency to feature on the agenda in Madrid. As members of the G-7, the club of the world’s richest countries, they prefer that it be discussed in that forum and they are refusing to have the most sensitive of all issues fall into the hands of the Commission. Paris is far from happy with the outcome. The French managed to insert into the draft a long-winded sentence of limited practical import which the Americans might not even accept.

Another taboo issue is security. The joint action plan ignores the fact that security policy is an integral part

of the Maastricht Treaty and that a re-allocation of roles was outlined at the NATO Summit in January 1994, without any follow-up. Several Member States (particularly the neutral ones) do not want these issues discussed at EU level; all the more so since it is a level that — in this vital domain — does not actually yet exist.

Philippe Lemaître